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Commissioner

NOV 30 2001

MARC SPITZER
Commissioner

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APPLICATION OF ARIZONA UTILITY
SUPPLY & SERVICES, LLC, FOR A
CERTIFICATE OF CONVENIENCE AND
NECESSITY TO PROVIDE SEWER SERVICE
TO PORTIONS OF PINAL COUNTY,
ARIZONA.

DOCKET SW-04002A-01-0228

IN THE MATTER OF THE APPLICATION OF
JOHNSON UTILITIES, L.L.C., DBA JOHNSON
UTILITIES COMPANY, FOR AN EXTENSION
OF ITS CERTIFICATE OF CONVENIENCE
AND NECESSITY TO PROVIDE WATER AND
WASTEWATER SERVICE TO THE PUBLIC
IN THE DESCRIBED AREA IN PINAL
COUNTY, ARIZONA.

DOCKET WS-02987A-01-0295

RESPONSE OF ARIZONA
UTILITY SUPPLY & SERVICES
TO APPLICATION FOR ORDER
PROHIBITING AUSS FROM
CONSTRUCTING UTILITY
PLANT AND OFFERING
PUBLIC UTILITY SERVICE
PENDING A RULING ON CC&N
APPLICATIONS AND MOTION
TO STRIKE

Arizona Utility Supply & Services, LLC, ("AUSS") through its counsel undersigned, hereby files its response in opposition to the Application of Johnson Utilities Company ("JUC") for an Order Prohibiting AUSS from Constructing Utility Plant and Offering Public Utility Service Pending a Ruling on CC&N Applications (the "Application"). JUC's Application simply rehashes arguments that were raised and addressed at the hearing in this docket and in JUC's post-hearing brief. More to the point, AUSS is not constructing utility plant nor is it providing utility service, and JUC has provided no credible evidence to the contrary. All testimony and documentary evidence necessary for the administrative law judge ("ALJ") to render an informed recommended decision in this consolidated docket have been submitted, and JUC's Application

Snell & Wilmer

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One Arizona Center, 400 E. Van Buren
Phoenix, Arizona 85004-2202
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1 should be stricken as superfluous. Thus, AUSS requests that the ALJ issue his order denying the
2 relief requested in JUC's Application, and striking the Application from the record in this
3 proceeding.

4 INTRODUCTION

5 JUC's filing of another Application will not accelerate a recommended decision in this
6 case. The parties have each had ample opportunity to introduce evidence, call witnesses, cross
7 examine witnesses, and fully develop a record upon which the Commission can determine which
8 of the two competing candidates should receive the requested CC&N. The many allegations in
9 JUC's Application were largely raised by JUC at the hearing in this case, as evidenced by the
10 Application's frequent citations to the record and to documentary evidence previously filed in this
11 docket. More importantly, the allegations are baseless. The record is now closed, and like it or
12 not, JUC must await the decision of the Commission.

13 RESPONSE TO JUC'S ALLEGATIONS

14 Notwithstanding the inappropriateness of JUC's Application, AUSS is compelled to rebut
15 certain of the most fallacious allegations raised by JUC. Time and space will not permit a point-
16 by-point refutation of all of the shotgun blast of misstatements and fallacies contained in the
17 Application. Nor will AUSS specifically rebut JUC's Chronology of Events attached to its
18 Application, but summarily denies JUC's version of the events and their meaning to this
19 proceeding. However, AUSS must address several of the most serious of JUC's allegations, as
20 set forth below.

21 1. ALLEGED REPRESENTATIONS TO UNDISCLOSED "INTERESTED PARTIES." JUC
22 asserts that it heard from a "developer in the area" that AUSS made representations to "interested
23 parties" that AUSS "already has obtained" a CC&N for the requested territory. This bald
24 assertion is part of JUC's strategy of obfuscation which was evident at the hearing. Of course,
25 JUC does not identify the alleged source of this story nor the parties that allegedly heard it from
26 AUSS. JUC's assertion is simply not credible. AUSS has not represented to any person or entity

1 that it has obtained a CC&N or secured the right to serve the requested territory. JUC has not
2 presented any proof to contradict this fact.

3 JUC also asserts that AUSS believes it can somehow circumvent the Commission's
4 jurisdiction to award a CC&N "to the most qualified candidate." This is ridiculous and more than
5 a little ironic, given that the Commission's Utilities Division Staff found AUSS to be the most
6 qualified candidate in its Staff Report. (Staff Report at p. 8). In her closing statement, the
7 Commission's staff attorney punctuated the Staff recommendation as follows:

8 *MS. ALWARD: Also very briefly. Staff believes that this proceeding has*
9 *more than ever established the appropriateness of Staff's recommendations in this*
10 *matter. Clearly, the record demonstrated that AUSS has shown a need, public*
11 *need for its services and the ability to serve that need now and in the future.*

12 *By contrast, I think Johnson Utilities has failed to demonstrate those very*
13 *same essential qualities in granting a certificate, and that's why Staff believes the*
14 *Staff report is compelling and that its recommendation should be adopted.*
15 (Hearing Transcript, Vol. 2, at pp. 379-380).

16 How JUC can claim that AUSS is attempting to circumvent the Commission's jurisdiction, in
17 light of the Staff Report supporting AUSS, the hearing, and AUSS' good faith participation in
18 this proceeding, is beyond explanation. The evidence in this case has been submitted, and AUSS
19 has every confidence in the ALJ's ability to exercise his independent judgment in rendering a
20 recommended decision.

21 2. ALLEGED OPERATION IN CONTRAVENTION OF COMMISSION STATUTES. JUC asserts
22 that AUSS is operating as a wastewater service provider in contravention of Commission statutes,
23 that its conduct is "illegal," and that it "flouts" the statutory prohibition contained in A.R.S. § 40-
24 281(A). However, JUC again provides no proof to support these transparent allegations.
25 Certainly, the ALJ is well aware of the statutes and constitutional provisions addressing the
26 regulation of public service corporations. Pursuant to A.R.S. § 40-281(A), "[a] public service

1 corporation . . . shall not begin construction of a street railroad, a line, plant, service or system, or
2 any extension thereof, without first having obtained from the commission a certificate of public
3 convenience and necessity.” Article 15, Section 2 of the Arizona Constitution defines “public
4 service corporation” as follows:

5 Section 2. All corporations other than municipal engaged in furnishing gas, oil, or
6 electricity for light, fuel, or power; or in furnishing water for irrigation, fire
7 protection, or other public purposes; or in furnishing, for profit, hot or cold air or
8 steam for heating or cooling purposes; *or engaged in collecting, transporting,*
9 *treating, purifying and disposing of sewage through a system, for profit;* or in
transmitting messages or furnishing public telegraph or telephone service, and all
corporations other than municipal, operating as common carriers, shall be deemed
public service corporations. (emphasis added).

10 Maurice Lee, through his company AUSS, is certified by the Arizona Department of
11 Environmental Quality (“ADEQ”) to operate wastewater treatment systems in Arizona. Mr. Lee
12 has been issued ADEQ Certified Operator No. 1242, a certification which he has held for more
13 than 15 years. As certified operator, Mr. Lee has operated approximately 15 different wastewater
14 treatment plants.

15 Currently, Mr. Lee operates the Links at Queen Creek Sewage Treatment Plant (the
16 “Links WWTP”) pursuant to an agreement with The Links at Ocotillo Homeowners’ Association,
17 an Arizona non-profit corporation (the “Links HOA”). The Links HOA pays Mr. Lee a fee to
18 operate the Links WWTP, and the Links HOA then bills its members for the costs of operating
19 and maintaining the Links WWTP. Neither Mr. Lee nor his company AUSS owns the Links
20 WWTP,¹ although AUSS has an option to purchase the Links WWTP as discussed at the hearing.

21 As a non-profit corporation, the Links HOA is not subject to regulation as a public
22 service corporation under Article 15, Section 2 of the Arizona Constitution. Nor is Mr. Lee

23 ¹ In the documents referenced by JUC, AUSS did refer to itself as the owner of the wastewater
24 treatment facilities. However, AUSS advised the parties and the ALJ at the hearing that these
25 letters were in error; that they were based upon the fact that AUSS was the operator of the Links
26 WWTP and that it had the option to purchase the Links WWTP. The ownership of the Links
WWTP and the purchase option were explored at the hearing.

1 subject to regulation as a public service corporation simply because he is the certified operator of
2 the Links WWTP. Certainly, there is nothing illegal or improper about the relationship between
3 Mr. Lee and the Links HOA, and JUC cannot contradict this fact with any credible evidence.
4 Again, this issue was addressed at the hearing.

5 3. THE ALLEGED "SHELL GAME." JUC asserts that AUSS is playing a "shell game"
6 to hide its true interests in the Links WWTP. This allegation is unsupported by the facts and the
7 record in this case. AUSS has an option to purchase the Links WWTP, but AUSS has not
8 exercised that option nor will it exercise the option unless and until it has obtained a CC&N from
9 the Commission. Likewise, AUSS has an option to acquire an expansion of the Links WWTP
10 which has yet to be completed, referred to as the Cambria WWTP. These options were disclosed
11 in the hearing in this docket, and in fact, are the very reason that AUSS has applied to the
12 Commission for a CC&N. AUSS has never sought to hide these options, and JUC was fully
13 aware of the options as evidenced by the discussion of these transactions in its Application.
14 JUC's disparaging allegation that AUSS somehow "duped" the Commission flies in the face of
15 the evidence in this case, and insults the intelligence and abilities of the Commission and its Staff.
16 The only shell game being played in this proceeding is JUC's continuing efforts to divert the
17 ALJ's focus from the Staff recommendation supporting the issuance of a CC&N to AUSS and the
18 evidence in this docket.

19 4. SECTION 208 COMPLIANCE. JUC asserts that AUSS has somehow subverted an
20 order of ADEQ contained in an August 10, 2001, letter regarding AUSS' compliance with the
21 required Section 208 plan. While AUSS did receive a letter from ADEQ directing AUSS to stop
22 construction on the Cambria WWTP pending modification of the Section 208 Plan, the letter was
23 based upon what AUSS now believes was a misunderstanding on the part of ADEQ.
24 Certification already exists for the Links WWTP and the subsequent expansion thereof (to include
25 the Cambria WWTP), as evidenced by page 143 of the 208 Area Wide Water Quality
26 Management Plan Update (September 1994) prepared by the Central Arizona Association of

1 Governments for ADEQ, a copy of which is attached hereto as Attachment "A." Specifically, the
2 208 Plan states as follows:

3 The Links at Ocotillo and Vineyard Roads, a planned manufactured housing
4 community south of Apache Junction, is scheduled to begin construction of a
5 package WWTP in December 1994 with a .75 MGD [*i.e.*, 750,000 gallons-per-
6 day] capacity with the first anticipated phase capacity increase of .75 MGD [*i.e.*,
7 750,000 gallons-per-day] in February of 1996. Pinal County is in the preliminary
8 planning and engineering stages for expansion.

9 AUSS believes that the combined 1.5 million gallons of capacity already authorized for the Links
10 WWTP in the 208 Plan permits the expansion of the Links WWTP to include the new Cambria
11 WWTP. Nevertheless, AUSS immediately stopped all construction on the Cambria WWTP upon
12 receipt of ADEQ's letter, and the only work which has occurred since that time was the
13 installation of a fence around the Cambria WWTP for safety reasons and the removal of several
14 pieces of fiberglass to be used at the Links WWTP. AUSS is working with ADEQ to resolve the
15 issue, and will not proceed with construction of the Cambria WWTP until the matter has been
16 properly resolved.

17 AUSS notes that JUC's assertions regarding the alleged disregard of an ADEQ order are
18 ironic in light of JUC's recent receipt of a Notice of Violation from ADEQ. On October 16,
19 2001, ADEQ issued Notice of Violation ("NOV") DW-02-098 to JUC's water division alleging
20 various violations of Arizona Administrative Code R18-4-125.F, R18-4-505 and R18-4-507. A
21 copy of the NOV is attached hereto as Attachment "B."

22 5. ALLEGED MISREPRESENTATIONS TO HOMEBUILDERS. JUC asserts that AUSS made
23 misrepresentations to homebuilders which were relied upon in obtaining subdivision approvals.
24 Again, JUC fails to identify even one such "misrepresentation," although JUC has had ample
25 opportunities. As the ALJ is aware, representatives of three of the largest developers within the
26 requested certificated territory-Woodside Homes, Providence Homes and Great Western
Homes-appeared at the hearing and testified or made statements in support of the issuance of a

1 CC&N to AUSS.² None of these developers mentioned any misrepresentations by AUSS. JUC's
2 assertions are, once again, baseless.

3 CONDUCT OF JOHNSON UTILITIES

4 In light of the attacks leveled by JUC against AUSS, AUSS must briefly comment on the
5 conduct of JUC and its owner, George Johnson. JUC asserts that the conduct of AUSS threatens
6 the integrity of these proceedings. To the contrary, the testimony of George Johnson
7 demonstrates his contempt for any outcome which does not award his company a CC&N. The
8 following excerpts from the transcript in this proceeding are illustrative:

9 • CROSS EXAMINATION OF MR. JOHNSON BY MR. KEOGH (HEARING TRANSCRIPT, VOL
10 2, AT P. 245):

11 KEOGH: Have you read the Staff report?

12 JOHNSON: Part of it.

13 KEOGH: What part did you read?

14 JOHNSON: I think it's all garbage.

15 KEOGH: I didn't ask you what you thought of it, I asked you what part you read, sir.

16 JOHNSON: Well, I didn't read it all, it was so bad.

17 • CROSS EXAMINATION OF MR. JOHNSON BY MR. KEOGH (HEARING TRANSCRIPT, VOL
18 2, AT P. 257):

19 KEOGH: Now, the very next sentence says, quote: However, Johnson does not plan
20 to use the Johnson Ranch plant to serve the proposed area, close quote.

21 JOHNSON: Yes.

22 KEOGH: Is that a true statement?

23 JOHNSON: I would have to believe she [the Staff witness] was drunk or out of her
24 mind, because that was never the case that was ever told to her. That's
25 something that she must have pulled out of the air.

26 ² Kip Gilleland spoke on behalf of Woodside homes; Steve Flaggman spoke on behalf of Great Western Homes; and John Poulsen appeared as a witness on behalf of Providence Home.

1 • EXCHANGE BETWEEN MS. ALWARD AND MR. JOHNSON (HEARING TRANSCRIPT, VOL
2 2, AT P. 265):

3 ALWARD: Before we move on, I would like to give Mr. Johnson an opportunity to
4 personally apologize to Ms. Hains. I don't believe Staff, which brings
5 professional integrity and dedication to their jobs, should be subjected to
6 personal verbal attacks from a witness, whether he's on the stand or not,
7 and I would like an apology for Ms. Hains. To use those kinds of
8 disparaging remarks I believe is inappropriate.

9 I gave Mr. Johnson his own opportunity to apologize to her, but he hasn't
10 taken it, and I would believe it would be a appropriate opportunity now.

11 JOHNSON: I stand by my humble opinion.

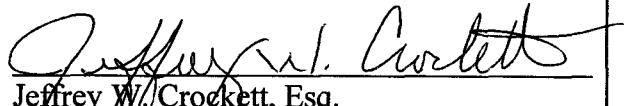
12 Mr. Johnson's statements on the record in this public proceeding should call into question
13 his judgment, as well as his willingness to abide by the decisions of those who regulate the
14 provision of wastewater services in Arizona. Staff has recommended that AUSS receive the
15 CC&N in this contested proceeding. The ALJ has heard the evidence. JUC should allow the
16 Commission to do its job.

17 CONCLUSION

18 JUC has had its day in court, and the resolution of this matter is now left to the discretion
19 of the ALJ and the Commission. AUSS respectfully requests that the ALJ issue is order denying
20 the relief requested by JUC in its Application, and striking the Application from the record in this
21 docket.

22 RESPECTFULLY submitted this 30th day of November, 2001.

23 SNELL & WILMER

24 
25 Jeffrey W. Crockett, Esq.
26 One Arizona Center
 Phoenix, Arizona 85004-2202
 Attorneys for Arizona Utility Supply &
 Services, LLC

1 ORIGINAL and ten (10) copies
2 filed with Docket Control of the
3 Arizona Corporation Commission
4 this 30th day of November, 2001.

5 COPIES HAND-DELIVERED
6 this 30th day of November, 2001, to:

7 Marc E. Stern, Administrative Law Judge
8 ARIZONA CORPORATION COMMISSION
9 1200 West Washington Street
10 Phoenix, Arizona 85007

11 Janice Alward, Legal Division
12 ARIZONA CORPORATION COMMISSION
13 1200 West Washington Street
14 Phoenix, Arizona 85007

15 Jim Fisher, Utilities Division
16 ARIZONA CORPORATION COMMISSION
17 1200 West Washington Street
18 Phoenix, Arizona 85007

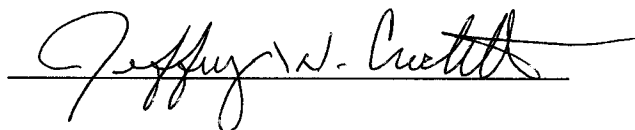
19 William A. Mundell, Chairman
20 ARIZONA CORPORATION COMMISSION
21 1200 West Washington Street
22 Phoenix, Arizona 85007

23 Jim Irvin, Commissioner
24 ARIZONA CORPORATION COMMISSION
25 1200 West Washington Street
26 Phoenix, Arizona 85007

27 Marc Spitzer, Commissioner
28 ARIZONA CORPORATION COMMISSION
29 1200 West Washington Street
30 Phoenix, Arizona 85007

31 COPY of the foregoing mailed
32 this 30th day of November, 2001, to:

33 Thomas G. Ryan
34 Thomas H. Campbell
35 Michael L. Denby
36 LEWIS AND ROCA
37 40 North Central
38 Phoenix, Arizona 85004



ATTACHMENT A

Currently, Arizona City, Kearny, and Casa Grande are expanding wastewater treatment facilities to increase capacity. The newly formed Superstition Mountain Community Facilities District is approved and will begin construction in late 1994, resulting in the establishment of regional wastewater treatment for the urbanized Apache Junction area.

Wastewater treatment needs were projected based on a rough estimate of need of 100 gallons per person per day (gpcd). Once a facility begins operating at 80% of the design capacity, it is recommended that the facility begin planning for expansion. Using this 80% figure as the base, the maximum design capacity of the plant was compared to the projected population growth of the entity; facilities at or below 115 gpcd were projected to be need for facility expansion.

5.2.2 Package Wastewater Treatment Plants

In addition to the POTWs in the region, there are approximately 68 private and/or institutional wastewater systems that require individual permits. These facilities come under the jurisdiction of either the county health department, through a delegation agreement with the state or ADEQ. These facilities vary from schools, hospitals and shopping centers to large master-planned communities. The capacities of most of these facilities is generally less than 0.5 MGD.

These private facilities are particularly prevalent in areas experiencing growth but which do not have centralized wastewater treatment. For example: nine package treatment plants are presently located within the City of Apache Junction planning area, serving the following entities: Superstition Grand Hotel; the Mining Camp; Roadhaven RV Resort; Sunrise RV Resort; Pueblo RV Resort; Rock Shadows and Denali Mobile Home Parks; Apache Junction Unified School District high school; and the Sierra Entrada subdivision. In addition, several miles east of Apache Junction are several large, master planned developments with package treatment systems: Gold Canyon Resort and the Gold Canyon RVP. A brief summary of some of the larger private facilities is provided in Appendix 5-5.

* The Links at Ocotillo and Vineyard Roads, a planned manufactured housing community south of Apache Junction, is scheduled to begin construction of a package WWTP in December 1994 with a .75 MGD capacity with the first anticipated phase capacity increase of .75 MGD in February of 1996. Pinal County is in the preliminary planning and engineering stages for expansion.

5.3 INDUSTRIAL WASTEWATER TREATMENT SYSTEMS

As stated earlier, about 22% of the facilities in CAAG that require permits, can be classified as industrial systems. Wastewater treatment systems in this range of activities require permits if they treat and dispose of their own wastewater.

Many of these facilities are located outside incorporated communities. Those located within municipalities and discharging to the municipal system may be required to implement a pretreatment program to meet the facility requirements for effluent.

The key concerns in dealing with industrial and/or facilities is to address potential problems from discharge of hazardous materials and other pollutants to surface or groundwater. If the operation is tied to a centralized wastewater treatment system, the concern is to prevent discharges to the system that could upset the treatment process.

ATTACHMENT B

Jane Dee Hull
GovernorARIZONA DEPARTMENT
OF
ENVIRONMENTAL QUALITY
Director of Utilities3033 North Central Avenue • Phoenix, Arizona 85012-2809
(602) 207-2300 • www.adeq.state.az.usJacqueline E. Schafer
DirectorDW-02-098
October 16, 2001CERTIFIED MAIL
Return Receipt Requested
7099-3400-0016-2571-6260Mr. George Johnson, President
Johnson Utilities, LLC
5230 East Shea Boulevard
Scottsdale, Arizona 85254

Subject: Sun Valley Farms Unit V, Public Water System (PWS) PWS ID #11-116

NOTICE OF VIOLATION

The Arizona Department of Environmental Quality (ADEQ), Water Quality Division, Water Quality Compliance Section, Drinking Water Compliance and Enforcement Unit has reason to believe that Mr. George Johnson, President, Johnson Utilities Co. as the owner and operator of PWS ID # 11-116, Sun Valley farms Unit V (Water Supplier), located near the City of Queen Creek in Pinal County, Arizona, has violated the Arizona Revised Statutes (A.R.S.) § 49-101 *et seq.* or the applicable rules found in the Arizona Administrative Code (A.A.C.). ADEQ discovered the violations alleged below during review of the facility's file completed on October 5, 2001.

I. LEGAL AUTHORITY and NATURE OF ALLEGED VIOLATION(S)

<u>Legal Authority</u>	<u>Nature of Violation</u>
A. A.A.C. R18-4-507.	Failure of the Water Supplier to receive an Approval of Construction (AOC) from ADEQ, prior to operating a newly constructed facility.

No documentation exists in the public record at ADEQ that proves the required AOC (project # 20000368) was received by the water supplier prior to March 2, 2001. Johnson Utilities placed a newly constructed facility into service on October 3, 2000, and continued serving water to the Sun Valley Farms Unit V drinking water distribution system until March 27, 2001, a total of 178 days of operation.

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Notice of Violation

PWS ID# 11-116, Sun Valley Farms Unit V water system

October 16, 2001

- B. A.A.C. R18-4-505. Failure of the water supplier to receive an Approval to Construct (ATC) from ADEQ, prior to starting construction of a modification to an existing facility.

No documentation exists in the public record that proves the required ATC was received by the water supplier prior to the construction of the "Rickie well", (ADWR # 55-570372) the associated line extension and connection to the Sun Valley Farms Unit V distribution system PWS ID # 11-116. Johnson Utilities began construction of the "Rickie well", the associated pipe line (Copper Road water transmission main) and the connection to PWS ID # 11-116, on December 2, 1998 and completed the construction on March 31, 1999, a total of 120 days.

- C. A.A.C. R18-4-507 Failure of the Water Supplier to receive an Approval of Construction (AOC) from ADEQ, prior to operating a newly constructed facility.

No documentation exists in the public record at ADEQ that proves the required AOC (Rickie Well/Cooper Road water transmission main project) was received by the water supplier from ADEQ, prior to March 12, 2001. Johnson Utilities placed a newly constructed facility into service on March 12, 2001, and continued serving water to the Sun Valley Farms Unit V distribution system until March 27, 2001, a total of 15 days of operation.

- D. A.A.C. R18-4-125.F Failure of the water hauler to maintain a log of all on-loading, chlorine disinfectant additions and residual-free chlorine measurements.

Johnson Utilities reported that water was hauled from September 1, 2000, until October 3, 2000. The log provided to ADEQ by Johnson Utilities indicates water hauling was discontinued on September 28, 2000. Therefore, the required log was not maintained for 6 days when water was being hauled to the Sun Valley Farms Unit V water system.

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Notice of Violation

PWS ID# 11-116, Sun Valley Farms Unit V water system

October 16, 2001

II. DOCUMENTING COMPLIANCE

- A. Within 7 days of the effective date of this notice, Johnson Utilities Co., as owner and operator of PWS # 11-116, Sun Valley Farms Unit V water system, shall provide information as follows:

A report relating to the current status of the Ricki Well and the associated pipe line which will connect the Ricki well to the Sun Valley Farms Unit V distribution system. The status report should include a written description of the current status in obtaining, from ADEQ, the required Approval to Construct (ATC) and the Approval of Construction (AOC).

III. SUBMITTING COMPLIANCE DOCUMENTATION

Please send all compliance documentation and any other written correspondence regarding this Notice to ADEQ at the following address:

Bill DePaul, Case Manager
Arizona Department of Environmental Quality
Drinking Water Compliance & Enforcement Unit
3033 North Central Avenue M0501B
Phoenix, Arizona 85012-2809

IV. STATEMENT OF CONSEQUENCES

- A. The time frames within this Notice for achieving and documenting compliance are firm limits. Failure to achieve or document compliance within the time frames established in this Notice will result in an administrative order or civil action requiring compliance within a reasonable time frame and/or substantial civil penalties. ADEQ will agree to extend the time frames only in a compliance schedule negotiated in the context of an administrative consent order or civil consent judgment.
- B. Achieving compliance does not preclude ADEQ from seeking civil penalties for the violations alleged in this Notice as allowed by law.

DW-02-098

Page 4

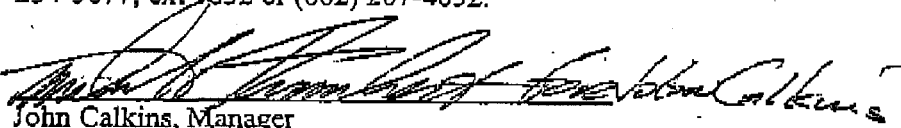
Notice of Violation


PWS ID# 11-116, Sun Valley Farms Unit V water system

October 16, 2001

V. OFFER TO MEET

ADEQ is willing to meet regarding this Notice. To obtain additional information about this Notice or to schedule a meeting to discuss this Notice, please contact Bill DePaul at 1-800-234-5677, ext 4652 or (602) 207-4652.


John Calkins, Manager
Drinking Water Compliance & Enforcement Unit


Bill DePaul, Enforcement Coordinator
Drinking Water Compliance & Enforcement Unit

JAC:WAD:mfs

cc: DWCEU Reading File
Facility File PWS 11-116
Bill DePaul, Case Manager

Certified Mail, Return Receipt


7099-3400-0016-2571-6277

Delator Corporation, Statutory Agent
Johnson Utilities, L.L.C.
7201 E. Camelback Road, # 330
Scottsdale, AZ 85251

Regular U.S. Mail

Karen Berry, Field Inspector
Arizona Department of Environmental Quality
Water Quality Compliance Section
Drinking Water Compliance Enforcement Unit
3033 N. Central, M0501B
Phoenix, AZ 85012-2809

Reg Glos, Director of Environmental Health
Pinal County Health Department
P.O. Box 2517
Florence, AZ 85232

, Assistant Director
Arizona Corporation Commission
Utilities Division
1200 West Washington
Phoenix, Arizona 85007